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## **LILIS ENERGY, INC.**

### **Charter of the Nominating and Corporate Governance Committee**

#### **1. Organization**

The Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Lilis Energy, Inc., a Nevada corporation (the “Company”), shall be comprised of such number of members of the Board, as shall be determined from time to time by the Board based on recommendations from the Committee, if any. Each member of the Committee shall meet the independence and qualification requirements provided in the listing standards established by The New York Stock Exchange (“NYSE”) or any other exchange on which the Company’s securities are listed, any requirements established by the Board and any other applicable laws, rules and listing standards. The members of the Committee and its Chairman shall be appointed by and serve at the discretion of the Board, based on recommendations from the Committee, if any. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation, removal, or death. The Board may remove any member from the Committee at any time with or without cause.

#### **2. Purpose**

The purpose of the Committee is to carry out the responsibilities delegated by the Board relating to the Company’s director nominations process and procedures, developing and maintaining the Company’s corporate governance policies, and any related matters required by the federal securities laws.

#### **3. Responsibilities of the Committee**

##### **(a) *Director Nomination and Evaluation***

With respect to director nomination and evaluation, the Committee shall:

- (i) make recommendations to the Board regarding minimum qualifications of director candidates, and processes for identifying and nominating directors;
- (ii) consider issues involving possible conflicts of interest of directors and potential directors;
- (iii) coordinate and assist the Board in recruiting new members to the Board, in consultation with the Company’s officers;

(iv) evaluate the business experience, or specialized skills or experience of director candidates. Diversity of background and experience, including diversity of race, ethnicity, international background, gender and age, are also important factors to be considered by the Committee when evaluating candidates for Board membership;

(v) review periodically the policies and procedures for considering stockholder nominees for election to the Board, and consider any director candidates recommended by the Company's stockholders pursuant to those procedures as set forth in the Corporate Governance Guidelines and described in the Company's proxy statement;

(vi) evaluate and recommend to the Board when new members should be added to the Board, and recommend a replacement member to the Board when a vacancy occurs on the Board by reason of disqualification, resignation, retirement, or death;

(vii) evaluate the performance of each director before recommending to the Board his or her nomination for an additional term as director;

(viii) annually, upon consideration of the foregoing, as well as the needs of the Company, Board responsibilities, qualifications of the directors, and the best interests of the Company, recommend to the Board the nominees for director to be submitted to a stockholder vote at the annual meeting of stockholders.

(b) ***Board and Committee Evaluation***

With respect to Board and Committee Evaluation, the Committee shall:

(i) annually assess the size, composition and profile of the Board in light of the operating requirements of the Company and the responsibilities of the Board, and make recommendations to the Board on such matters;

(ii) develop membership qualifications, qualities, skills, and other expertise required to be a member of the Board and to be on a Board committee;

(iii) develop, subject to approval by the Board, a process for the annual evaluation of the Board and its committees and oversee the conduct of this annual evaluation;

(iv) recommend Board committee assignments to the Board;

(v) perform a review, at least annually, of the performance of the Committee and its members and report to the Board on the results of this review;

(vi) review and assess the independence of each director and potential directors in accordance with U.S. securities law and applicable stock exchange definitions and requirements, including NYSE listing requirements;

(vii) develop and recommend to the Board for approval standards for determining whether a director has a relationship with the Company that would impair his or her independence;

(viii) review and reassess this Charter at least annually and recommend to the Board any changes to this Charter that the Committee considers necessary or valuable.

(c) ***Corporate Governance***

With respect to Corporate Governance, the Committee shall:

- (i) oversee all aspects of Company's corporate governance functions on behalf of the Board;
- (ii) identify best practices and develop and recommend to the Board a set of corporate governance guidelines applicable to the Company, review these guidelines at least once per year and recommend any changes to the Board;
- (iii) review governance-related stockholder proposals and recommend to the Board an appropriate response;
- (iv) review and if desirable approve any changes recommended by management regarding the Company's corporate disclosure policies, and periodically review and if desirable amend the Company's corporate governance policies, including its policy with respect to insider trading in the Company's securities and its codes of business conduct and ethics for directors, officers and employees;
- (v) oversee an orientation program to familiarize new directors with the Company's business and operations, and oversee ongoing education for all directors regarding corporate governance matters;
- (vi) develop and recommend to the Board for approval a policy on Company political contributions and lobbying expenses, receive and review an annual report on the Company's political contributions and lobbying expenses, and recommend to the Board any changes to the policy based on such reports;
- (vii) review and discuss with management the disclosure regarding the operations of the Committee and director independence, and recommend that this disclosure be included in the Company's proxy statement or annual report on Form 10-K, as applicable.

4. **Minutes and Meetings**

The Committee shall approve its schedule of meetings and shall generally meet at least once a year. The Committee may also hold additional meetings at the direction of the Committee Chair or at the request of any other Committee member. The Committee may meet in person or by telephone conference call, and may act by unanimous written consent.

The Committee Chair shall approve the agenda for the Committee's meetings, and any member may suggest items for the Committee's consideration. Briefing materials shall be provided to the Committee as far in advance of a meeting as practicable. The Chairperson of the Committee shall receive stockholder communications directed to non-management directors.

The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

5. **Committee Resources**

The Committee shall have unrestricted access to and assistance from the officers, employees and independent auditors of the Company, and shall be furnished with such resources and support from the Company as the Committee shall deem necessary.

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a director search firm, outside counsel or such other advisors as necessary to assist with the execution of its duties and responsibilities under this Charter. The Committee will have sole authority and responsibility for hiring, overseeing the work, approving the fees and retention terms for, and terminating the services of, any such search firm, outside counsel or other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to any director search firm, any outside legal counsel and any other advisors to the Committee. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its legal counsel or other advisor to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.